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### Deposited in DRO:

09 February 2011

### Version of attached file:

Accepted Version

### Peer-review status of attached file:

Peer-reviewed

### Citation for published item:

Wells, V.K. and Foxall, G.R. (2011) 'Consumer behaviour analysis and services (Editorial).', *The service industries journal*, 31 (15 ). pp. 2507-2513.

### Further information on publisher's website:

<http://dx.doi.org/10.1080/02642069.2011.531122>

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## EDITORIAL

### Consumer Behaviour Analysis and Services

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*Consumer Behaviour Analysis* is a synthesis of behavioural economics with the real world complexities of consumer choice in a marketing-oriented economy (Foxall, 2001). Behavioural economics, based on the integration of operant behaviour theory and experimental economics, has made enormous strides in the explanation of choice behaviour in terms of its environmental consequences. Much of the earlier work involved nonhuman subjects but there is now a well-established volume of research findings on human choice in economic situations. Consumer behaviour analysis adds a further dimension to this work by combining it with marketing science, the empirical study of patterns of consumer choice in affluent, marketing-oriented economies.

The foundations of consumer behaviour analysis were set out in an inaugural essay at the beginning of the Millennium (Foxall, 2001) and research to that point was extensively reviewed in the three volumes of *Consumer Behaviour Analysis: Critical Perspectives in Business and Management* (Foxall, 2002). Theoretical and empirical research, which has proceeded apace during the last decade, has recently been reviewed (Foxall, 2007, 2009, 2011; Foxall, Oliveira-Castro, James & Schrezenmaier, 2007; Hantula & Wells, 2010) and will not be rehearsed here.

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Rather, this special issue reports on current work on consumer behaviour analysis that was presented at the 2<sup>nd</sup> International Symposium on Consumer Behaviour Analysis held in Cardiff in April 2010 in order to provide a flavour of current thinking and empirical investigation in the area.

Consumer behaviour analysis developed largely in response to the cognitive domination of consumer behaviour research and the need to explore alternative accounts of consumer choice (Foxall, 2010). Concurrently with the development of consumer behaviour analysis the core of behaviour analysis was also developing and breaking new ground in the application of behavioural concepts and theories to the empirical understanding of a diverse range of psychological phenomena in what Roche (1999) called a ‘new wave’ of behavioural psychology. However whilst behaviour principles are central to consumer behaviour analysis’s theoretical and empirical research programme the philosophical and methodological influences go beyond the academic disciplines known as ‘experimental analysis of behaviour’ or ‘behaviour analysis’ (Foxall 2001) and the papers included here reflect this.

The basic paradigm of behaviour analysis, the ‘three term contingency’ or  $S^D \rightarrow R \rightarrow S^R$  where  $S^D$  is a cue or ‘discriminative stimulus’,  $R$  is a ‘response’ and  $S^R$  is a reward or ‘reinforcing stimulus’ provides the base for the Behavioural Perspective Model (BPM) which forms part of the work of consumer behaviour analysis. The BPM is an interpretative device that results from the combination of consumer behaviour setting scope, consumer behaviour and its (utilitarian, information and aversive) consequences as signalled by the stimuli that comprise the setting (the development and subsequent refinement of the BPM are described by Foxall 1990, 2007, 2010).

Consumer behaviour analysis represents a truly interdisciplinary approach to consumer choice, as can be seen by the author affiliations contained here which include business schools, psychology departments and technology schools. CBA also celebrates a diversity of viewpoints. It is not, and has not been developed to be, an attempt to assert the importance of behavioural psychology to the exclusion of cognitive or other perspectives on consumer choice. In fact, Foxall (2001) states that a central component of the model is to use competing concurrent theories of behaviour as standpoints from which to critique one another. Recent theoretical work has emphasized this broader theoretical perspective (Foxall, 2007). A number of the papers within the edition actively and directly compare, contrast and in some cases integrate with existing conventional wisdom in their respective areas.

On a spectrum of products from pure services to pure tangible goods the research on consumer behaviour analysis has developed from the pure goods end of the spectrum but through its work on branding has also provided implications for services in much of its work. Projects have explored the brand and product choice of consumers via a matching analysis (Foxall and James 2001, Foxall and James 2003, Romero, Foxall, Schrezenmaier, Oliveira-Castro and James 2006, Foxall, Oliveira-Castro, James and Schrezenmaier 2006, Foxall, Oliveira-Castro, James and Schrezenmaier 2007), via panel data (Foxall, Wells, Chang and Oliveira-Castro 2010, Wells, Chang, Oliveira-Castro and Pallister 2010) and experimentation in-store (Sigurdsson, V., Sævarsson, H., & Foxall 2009) and online (Fagerstrøm, Arntzen and Foxall 2009, Fagerstrøm 2010). It has also explored the philosophical basis of consumer behaviour analysis and verbal behaviour of consumers (Foxall 2009) as well as the evolutionary bases of consumer reinforcement

(Nicholson and Xiao 2010). A number of studies within consumer behaviour analysis have also explored consumers emotional responses to consumer environments (Foxall and Yani-de-Soriano 2005, Yani-de-Soriano 2006) a viewpoint directly build on by Seco-Ferreira and Oliveira-Castro and Xiao and Nicholson in this issue. The papers in this special edition are, for most of the established consumer behaviour analysis researchers included, a first tentative step into the world of services marketing. Because of this the papers within the edition are situated largely in the middle of the product spectrum, exploring the facilitating and supplementary nature of services to support product sales where goods are a complex of goods with facilitating services and services are a mixture of a complex of services and facilitating goods (Rathmell 1966). Retailing is important here both as a major employer and also a major service industry (Jobber 2010) incorporating both product sales and a range of surrounding services including delivery, financing, customer interaction, the service environment etc. Aspects of retailing form the main thrust of a number of papers within the special edition with atmospherics or the environment of retail being the most popular. Marketing has long recognised within this the physical environment as an effective tool incorporating it fully into retail development and services research (for example Martineau 1958, Kotler 1973, Donovan and Rossiter 1982 Bitner 1992, Foxall and Greenley 1999, Turley and Milliman 2000, Tsai 2010). Kotler (1973) is credited with being the first researcher to introduce and discuss the significance of the physical environment on enhancement of consumers experience and exploring its effect on evaluation, purchase and post-purchase stages of consumer behaviour. He used the term atmospherics to describe the "effort to design buying environments to produce specific emotional effects in the buyer that enhance his

purchase probability" (p. 50). While the term atmospherics is still widely used terms such as shelf-space studies, environmental psychology and servicescape are all also used in the literature exploring environmental affects on consumers (Turley and Milliman 2000). As many of these studies base their theoretical approach on the three term contingency the fit with a consumer behaviour analysis is logical and is exploited within this issue.

The special issue contains, as consumer behaviour analysis itself, many different types of paper: both conceptual and discursive (for example Nicholson and Xiao, Xiao and Nicholson), and empirical (for example Fagerstrøm, Arntzen and Foxall). The empirical papers also include a wide range of data collection and methodologies from qualitative (for example Porto, Oliveira-Castro and Seco-Ferreira) to quantitative (for example Xiao and Nicholson) and using triangulation/multiple methods (for example Fagerstrøm, Arntzen and Foxall). Some data is collected via laboratory experimentation (for example Fagerstrøm, Arntzen and Foxall), some via the service setting itself (for example Porto, Oliveira-Castro and Seco-Ferreira). Some uses individual data (for example Fagerstrøm, Arntzen and Foxall and Porto, Oliveira-Castro and Seco-Ferreira) while others use aggregated data (for example. Sigurdsson, Larsen and Gunnarsson).

The first two papers, "Mapping impulse buying: A systematic review for services marketing and consumer research" and "Consumer behaviour analysis and social marketing practice" are theoretical and conceptual in nature. Both papers take a popular aspect of both services and more general marketing and engage with the current wisdom from a consumer behaviour analysis viewpoint. "Mapping Impulse Buying", proposes consumer behaviour analysis as an integrative framework to synthesise existing empirical and theoretical work in this area. This paper makes direct comparison between a

consumer behaviour analysis interpretation of impulse buying and other models developed from behavioural economics (e.g. discounting behaviour) as well as the more cognitive studies which have dominated the field. The authors propose that their systematic approach to building a strong theoretical base for impulse buying research will allow a deeper understanding of how consumers engage in impulse buying and the value of this for services providers in attempting to develop marketing strategies that will influence consumers. The paper also provides illuminating suggestions and directions for further research.

The second paper, “Consumer behaviour analysis and social marketing practice” covers a number of related areas including health services, organ donation, healthy eating, dietary change campaigns, promotion of good purchases, drug use, the impact of penalties and environmental behaviour and its ideas could easily be expanded into several papers. The paper also provides the most comprehensive introduction to all main areas within the Behavioural Perspective Model (BPM) and is a good starting point for readers unfamiliar with this model. This is the most wide ranging paper included within the special issue, and perhaps the one, that at the surface level appears to be most distant from core services research. However, behavioural change and an understanding of the motivations behind this is important to all service industries which are reliant on consumers and employees good behaviour and hard work, demonstrated by the P of people within the extended services marketing mix. Deviance is a current popular area of services research, and the section on crime within this paper highlights a number of implications for deviant behaviour. The behaviour of consumers (more commonly patients in this area) is of vital importance in determining the demand for healthcare

services, whether privately or via a public system such as the NHS. Overall the paper presents consumer behaviour analysis as a theoretical approach for a more robust approach to social marketing practice. The remaining six papers are empirical, exploring a number of different areas of study.

The paper by Sigurdsson, Larsen and Gunnarsson looks specifically at demand curves and is one of a number of papers that concentrates on retailing. The paper uses real time, real life purchasing on which it experiments in a number of different retailers. The authors discuss the effect of in-store price manipulations on consumers demand curves, evaluating their findings in terms of the BPM and consider the effects of store type and level of analysis on their results. They specifically explore, with reference to previous in store experimentation and panel data analysis, the specific effects of closed and open settings (where consumers have more or less control) and attempt to extend research in the area beyond the use of closed experimental conditions.

Adding to the idea of impulsivity presented by Xiao and Nicholson, Porto, Oliveira-Castro and Seco-Ferreira take an empirical approach to retail effects on planned purchases by consumers. Porto, Oliveira-Castro and Seco-Ferreira describe their study as a natural experiment, questioning consumers in situ, both as they enter and exit the store, and underline the importance of a study that relies on real behavioural data rather than simply behavioural intentions, a central aspect within CBA. While they consider the influence of brands, and in particular the informational and utilitarian benefits proposed by the BPM, they also make strong managerial implications as to the possible effects of the retail environment on planned and impulse purchases and the balance and interactions between them. They strongly suggest that retailers may have the greatest effect on



altering consumers planned purchases and increasing impulse purchasing when consumers are buying luxury, or higher benefit goods which they suggest produce greater 'confusion' within the purchase situation. This may lead retailers to question their product mix as to ensure luxury products, or at least higher level brands are available and where they can have most influence within the retail environment.

Seco-Ferreira and Oliveira-Castro explore another aspect of the consumer setting, background music, in line with its affects on the overall 'consumer experience'. The pupose of the paper was to explore the effects of atmospherics, specifically background music quality, on conversion rates, cash flow and consumers' impressions of the shopping environment. The authors frame the consumer setting within the BPM framework as atmospherics and explore a behavioural analystic response to the manipulation of atmospheric variables. The authors used both observation data, via video recording, and questionnaires to assess the affects of the background music used. The questionnaire ulitised the Mehrbian and Russell PAD emotion scales aligning itself with consumer behaviour analysis work exploring consumers' emotional responses consumption environments and also a range of services literature utilising emotions (for example Li, Kim and Lee 2009).

Sigurdsson, Larsen and Gunnarsson, in their paper on the selection of fruit and vegetables present another live in-store experiment with real consumers. This paper explores specifically the effects of the retail environment (this time in the positioning of goods and in-store advertising) on encouraging consumers to make the right purchases and links well with the proposals made by Nicholson and Xiao with regards social marketing practice and promoting behaviour change. They study the important concept of

the “obesogenicity” of the modern environment which is defined as the sum of influences that the surroundings, opportunities or conditions of life have on promoting obesity in individuals or populations. As with the paper above this paper employed in-store observation as well as a consumer survey. Once more the paper takes a comparison approach comparing the interpretation of consumer behaviour via both the BPM and, in this case, social psychological intentionality. The authors conclude that in many cases the interventions employed had little effect of the buying behaviour of consumers, with consumers often saying they wanted to make the ‘right’ purchase choice but not in practice doing this. One aspect that appeared to affect the behaviour was the type of store, an aspect that could lead to useful further research.

The penultimate paper, Fagerstrøm, Arntzen and Foxall explores the areas of satisfaction, loyalty and retail variables within online technology stores. Satisfaction and loyalty have received increased attention in recent years (see for example Sun and Lin 2010, Chen and Kao 2010, Lee 2010) as companies utilising relationship marketing techniques have tried to retain consumers and as interest has also risen in deviant and complaining behaviour (see for example Casado-Díaz and Gonzálbez 2009, Iglesias 2009) as well as service recovery (Lin 2010). The impact of environmental characteristics on retail websites has also become an increasingly popular area of research in line with the growth of internet purchasing (see for example Kim, Kim and Kandampully 2007) and the experimental design of this study allowed the authors to control the reinforcement available to the participants to a great level. The authors were therefore also able to be very specific about the effects of the programmed reinforcement they used, in this case free shipment. While free shipment, and in some cases the colour of the online stores

used, had an effect on the behaviour of the participants the authors found, more generally, that few of the consumers showed loyalty to either store regardless of the reinforcement available. This paper follows a strong behavioural economic/behavioural psychology methodology using experimental analysis in a stimulated 'micro world' to explore the behaviour, and loyalty of the participants. However unlike a strong behavioural economic/behavioural psychology methodology the authors also used a multiple methods approach (post participation interviews) to allow greater exploration and understanding of their data.

The final paper in the special edition, "Situational variations in consumers' consideration of non-deceptive counterfeits" brings together both theoretical and empirical aspects. The ideas within this paper are embedded within aspects of consideration sets are tested empirically via the BPM model and specifically the benefits within it. The paper considers the environment in which purchase decisions are made and also the effects of the usage situations on the consumers' consideration of the purchase of both counterfeit trademark and service mark products (e.g., clothes, watch, restaurant, hotel service etc) and pirated copyright goods (e.g., software, music etc). The authors found that both utilitarian and informational benefits were significant in the consumers behaviour with usage reason (e.g. social status, altruism, reputation etc) also being of importance.

This special issue comes at a very exciting time in the evolution of CBA and represents a significant development in its scope. In 2001, Foxall described CBA as enjoying its inaugural phase. Ten years later, CBA has grown substantively not only in

its popularity, but in its theoretical and methodological depth and in its range of applications. We celebrate some of them in this special issue.

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Paper Order:

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- Consumer Behaviour Analysis and Social Marketing Practice
- The Behavioural Economics of Neutral and Upward Sloping Demand Curves in Retailing
- What they say and what they do: Planned and actual amounts bought in relation to brand benefits
- Effects of background music on consumer behaviour: A behavioural account of the consumer setting
- An in-store experimental analysis of consumers' selection of fruits and vegetables
- A study of preferences in a simulated online shopping experiment

- Situational variations in consumers' consideration of non-deceptive counterfeit goods